



BEST VALUE SOURCE SELECTION

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Best Value Source Selection

- Introduction
- When and Why of BVSS
- Procurement Team
- Source List
- BVSS Solicitation
- Evaluation and Selection Process
- Selection Documentation
- Negotiations, Approvals & Award



Introduction

- **Role of the University**
 - Prime Contract # DE-AC02-05CH11231
 - Procurement authority delegated by the President of the University through the Laboratory Director and CFO to Procurement
 - Issue Subcontracts in the name of the Regents of the University of California
- **Not a Federal Procurement**
 - Follow the LBNL Procurement Standard Practices
 - Established with the concurrence of the UC Laboratory Operations (UCLO) office and approved by the Department of Energy (DOE) Contracting Officer



Introduction

Best Value Source Selection (BVSS)

- Developed about 12 years ago at LLNL**
- Process used in competitive, negotiated contracting to select the most advantageous offer**
- Evaluates and compares non-price factors (performance features, supplier attributes) in addition to cost or price**



Introduction

- **Awards to the Vendor who will provide best value to Laboratory**
 - Qualitative rather than quantitative evaluation
- **General requirements - lets Vendors be creative**
 - Proposal is basis of contract
 - Detailed Specification negotiated if needed



When and Why

- **When to use BVSS?**
 - When price is not predominant
 - When experience, performance, and/or technical requirements are predominant
- **Why use BVSS?**
 - Maximum decision making flexibility when making business decisions for a Program or the University
 - Manage Subcontractor performance risk
 - Allows Vendors flexibility in proposal strategy



The Procurement Team

- **Roles and Responsibilities of the Procurement Team**
 - Develops the source list
 - Develops evaluation factors including the minimum requirements and performance features
 - Makes the selection
 - The Negotiating Team is usually a subset of the Procurement Team



The Source List

- **Request for Expression of Interest/Sources Sought Synopsis**
- **Market survey**
 - Site visits to Vendors facilities
 - Vendor visits to NERSC
 - Knowledge from conferences and meetings
- **Typically don't advertise in FedBizOps**



The BVSS Solicitation

- **Letter format**
 - Evaluation Factors
 - Minimum Requirements
 - Performance Features
 - Supplier Attributes
 - Price or cost
 - Basis for Selection
- **Statement of Work for inclusion in Subcontract is negotiated with the selected Vendor**



Evaluation Factors

- **Four Categories**
 - **Affordability, Capability, Applicability and Feasibility**
 - **Provide a structure for developing minimum requirements, performance features and supplier attributes as evaluation factors**



Minimum Requirements

- **Absolutely must be met**
 - Represent requirements that must be present to ensure successful performance
 - Establish a basis for preparing offers and provide a mechanism for eliminating frivolous or non-responsive offers
 - NERSC-6 Minimum Requirements will be discussed in detail in other presentations today



Performance Features

- Address *how* an Offeror will satisfy the requirements of the solicitation
 - Should encourage a narrative description of the approach to meeting the requirements
 - NERSC-6 Performance Features will be covered in other presentations today
 - Offerors are encouraged to propose any other features they can provide that will add value to NERSC
 - Allows the University to take advantage of the latest the market has to offer



Supplier Attributes

- **Experience**
 - What has the Offeror done?
 - How many times have they done it?
 - How long have they been doing it?
- **Past Performance**
 - How well did the Offeror do it?
- **Corporate Capability**
 - Does the Offeror have the resources to perform?



NERSC-6 Supplier Attributes

- **Demonstrated ability to meet schedule for development and delivery of similar systems.**
- **Demonstrated capability to produce and test the proposed system.**
- **Demonstrated ability to provide continued development, testing and support for system problem diagnosis and future system improvements.**
- **Management and corporate capability, including identifying and managing risk throughout the NERSC-6 project.**
- **Commitment to high performance technical computing including a strong product roadmap and commitment to advancing the HPC state of the art.**
- **Commitment to support the Laboratory's small business program objectives.**



Price or Cost

- **Price or cost is evaluated in every BVSS procurement.**
- **Integral part of the best value assessment, taking into account the performance features, supplier attributes, and other factors**



NERSC-6 Price Factors

- **Life-cycle costs (systems plus maintenance, operation, third-party software, integration, conversion)**
- **Facilities requirements and costs, including power, cooling and space requirements**
- **Both base and on-going pricing for all hardware, software, maintenance and options**



Basis for Selection

- **Select a responsive and responsible Offeror**
- **Will strike the most advantageous balance between the quality and price or cost**
- **Both technical merit and price/cost are always considered and evaluated**
- **BVSS based on premise that if all proposals are essentially equal in qualitative merit, award will be made to the responsible Offeror with the lowest evaluated price or probable cost**
- **BVSS permits tradeoff between cost or price and evaluation factors and allows the Laboratory to accept other than the lowest priced proposal**
 - **Perceived benefits of the higher priced proposal must merit the additional cost**



Evaluation and Selection

- **We ALWAYS try to make a selection based on the initial proposal evaluation - no BAFOs**
- **BVSS allows Offerors to propose different solutions and allows us to consider solutions different from the ones we may have envisioned at the outset**



Negotiations, Approvals & Award

- **Negotiations can be conducted with one or more Offerors if necessary to make selection**
- **Negotiate detailed SOW with selected Vendor(s) if necessary**
- **Approval process for award package**
- **Notify and debrief unsuccessful Offerors**



Questions?